SAPC - 18147
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2 August 1957

MEMORANDUM FOR: Project Director

SUBJECT : Extension of Pilot Contracts

REFERENCES : A. SAPC-17905 dated 25 July 1957.
B. SAPC-18018 dated 30 July 1957.

1. In connection with your inquiry about our possible plans to reduce the pilot salaries, I can say that while I had been of a mind to proceed along these lines at the time reference A was written I have been shot down on this idea by ████████████████ 25X1A9a and others who felt that to do so would be extremely inadvisable.

2. Accordingly, we are now proceeding with the redrafting of the pilot contract to provide the same base operational duty pay and bonuses, subject only to the condition that benefits derived by the pilots as a result of having their families overseas, i.e. Government provided housing, should be at least partially deducted from their gross salary. Thus we would plan to deduct $100.00 per month from the overseas operational duty pay of a married pilot whose dependents joined him, regardless of the cost to the Government of the quarters which we were able to provide him, unless of course, the quarters cost was less than $100.00 to other people. However, if we go to house them on the economy, it is foolish to think that we can obtain suitable quarters for pilots - or CIA and military personnel for that matter - at a figure of $100.00 per month or less.

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3. ████████████, of the Office of General Counsel, is Case Officer on rewriting our contract and I am hopeful that we will have a rough draft containing our combined thinking on this matter sometime next week.

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4. As a matter of fact, we tentatively tried on for size with ████████████ yesterday some of the ideas we plan to incorporate in the new contract and he was of the opinion that these were completely equitable. For ████████ this is tantamount to saying that we had done a superb job!

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Project Director of Administration
PCE/DCI

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